

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7168**

**BILL NUMBER: HB 1909**

**NOTE PREPARED: Jan 28, 2003**

**BILL AMENDED:**

**SUBJECT:** Drug Company Reports of Gifts.

**FIRST AUTHOR:** Rep. Welch

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED: X**

**GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill requires pharmaceutical manufacturers to report information concerning gifts and payments that are made to a person who prescribes or purchases prescription drugs. It excludes certain gifts and payments from disclosure. The bill provides that failure to disclose required information is a Class A infraction. The bill also repeals a definition superseded by this act.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** This bill requires the Board of Pharmacy to administer the collection of certain information from pharmaceutical manufacturing companies. The fiscal impact of this provision on the Health Professions Bureau is currently indeterminable, but will be updated as information is provided.

**Explanation of State Revenues:** *Penalty Provision* - A person who violates the provisions of this bill commits a Class A infraction. If additional court cases occur, revenue to the state General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class A infraction is \$10,000 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Penalty Provision* - If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would

be assessed and, if collected, would be deposited into the county law enforcement continuing education fund.  
(3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Health Professions Bureau.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

**Fiscal Analyst:** Valerie Ruda, 317-232-9867